

Developing MinebeaMitsumi Group's CSR Together with the Local Community

—Chitose Business Division, Mitsumi Electric—



List of Dialogue Participants

Participants from Chitose City

Mayor of Chitose City	Mr. Kotaro Yamaguchi
Vice Mayor of Chitose City	Mr. Ryuichi Yokota
General Manager of Industrial Promotion Department	Mr. Hiroyuki Shimakura
General Manager of Industry Support Office, Industrial Promotion Department	Mr. Masatoshi Shinada
Manager of Enterprise Promotion Section, Industry Support Office, Industrial Promotion Department	Mr. Atsushi Sawada
Manager of Science and Technology Promotion Section, Industry Support Office, Industrial Promotion Department	Mr. Hiroki Hayashi
Assistant Manager of Enterprise Promotion, Enterprise Promotion Section, Industry Support Office, Industrial Promotion Department	Mr. Keisuke Tsukada
Assistant Manager of Investment Promotion, Enterprise Promotion Section, Industry Support Office, Industrial Promotion Department	Mr. Kunihiko Idogawa
Manager of the Secretariat for the Planning Department	Mr. Hiroshi Hotta

Participants from Chitose Institute of Science and Technology

University President of Chitose Institute of Science and Technology	Mr. Masaaki Kawase
Managing Director of Chitose Institute of Science and Technology	Mr. Nobuyuki Watanabe

MinebeaMitsumi and Mitsumi Electric

Managing Executive Officer, Chief of Personnel & General Affairs Headquarters	Mr. Tatsuo Matsuda
General Manager of Business Promotion Department, Semiconductor Business Division	Mr. Takashi Kume
General Manager of Wafer Production Department, Semiconductor Business Division	Mr. Tsukasa Sakai
Deputy General Manager of Business Promotion Department, Semiconductor Business Division	Mr. Minoru Hashimoto
Manager of General Affairs Section, Business Promotion Department, Semiconductor Business Division	Mr. Mutsuo Hirai
General Manager, CSR Promotion Office	Mr. Masaki Ishikawa
Assistant Supervisor, CSR Promotion Office	Ms. Reiko Echigo

Facilitator

Consultant, Cre-en Inc.	Mr. Hiroshi Tomita
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* The titles of participants are current as of the date of the dialogue (May 22, 2018).

In May 2018, we held a stakeholder dialogue at the Chitose Business Division (Chitose City, Hokkaido) with representatives from the local community.

Various opinions and proposals regarding future collaboration and cooperation were expressed, and an active discussion took place.

Introduction

Mr. Matsuda: Thank you very much for joining us today. It is an honor to have you. In January, 2017, Minebea Co., Ltd. implemented business integration, converting MITSUMI ELECTRIC CO., LTD. into a wholly owned subsidiary through a share exchange. As a result, MinebeaMitsumi Inc. was created. The Group currently has 64 manufacturing sites in 17 countries around the world, and the Chitose Business Division is one of those sites.

One of the “Five Principles” of the company credo is

to “work in harmony with the local community.” This principle has been incorporated into various activities intended to contribute to local communities in order to create deeper ties. We hope to raise the level of collaboration and cooperation even further so that we can make use in our future measures of the opinions and requests expressed today by the participants. Now, let's start the discussion.



Mr. Tatsuo Matsuda
MinebeaMitsumi

We offer our heartfelt sympathies to the victims of the earthquake that occurred in the Hokkaido region on September 6, 2018.

Connections between the Chitose Business Division and the Region

Mr. Kume: The Chitose Business Division began operations in this region in 1983. For the subsequent 35 years, the production site has manufactured semiconductors. It currently has a little under 500 employees, but during the prior and current fiscal terms, business has been extremely busy and the labor shortage has become a significant issue.



Mr. Takashi Kume
Mitsumi Electric

Mr. Hashimoto: In our relationship with the local community, the business division has placed particular emphasis on traffic safety since the very start of operations. Employees stand in the street and give traffic directions, and each year employees propose yearly traffic safety slogans for submission to the Traffic Safety Association as a part of educational programs. Slogans selected within the business division are submitted to the Chitose Traffic Safety Association, and nearly every year we win an award. The winning submissions are displayed at various locations throughout the city.



Mr. Minoru Hashimoto
Mitsumi Electric

With regard to the environment, plastic bottle caps and pull rings collected at the site are donated to social welfare organizations, and each year we conduct cleanup activities and install flowerpots in the vicinity of the business site. We have also cooperated with blood donation drives for more than 20 years, and in 2017 we received a Golden Order of

Merit from the Japanese Red Cross Society.

Mr. Yamaguchi: I am very grateful that efforts continue to be made to deepen ties with Chitose City even after the business integration. I feel that manufacturing and sales activities in Chitose and the dissemination of technologies and information to the world by the companies that represent Japan leads to enhancement of the value of Chitose City.



Mr. Kotaro Yamaguchi
Mayor of Chitose City

Work Style Reforms throughout the Region

Mr. Yamaguchi: One area that Chitose City is currently putting particular effort into is work style reforms. These are not simply reforms in accordance with public servant ethics. Rather, we believe that workplace reforms from the perspective of adapting to the lifestyles of workers is important, and we are currently in the trial and error stage. Based on the idea that workplace reforms are working style reforms and that work style reforms are lifestyle reforms, we are taking measures to increase what is referred to as the “*ikuboss*”^{*} in the city by raising awareness in businesses and so on and create a community where workers can achieve a good balance between work and family life and engage in enriching childcare activities.

* A supervisor (executive or manager) who considers the work-life balance of subordinates and staff members who work with the supervisor and supports both career development and personal development while producing good results for the organization and enjoying his or her own work and personal life.

Mr. Yokota: As a part of these efforts, *ikuboss* training was conducted for executives and managers from the mayor down in January of 2017, and all of the participants issued an *Ikuboss* Declaration. Initially, we are working to change the awareness of workers, and we are holding seminars and conducting other activities. What types of actions does the Chitose Business Division undertake in relation to the work-life balance?



Mr. Ryuichi Yokota
Vice Mayor of Chitose City

Mr. Hashimoto: At the Chitose Business Division, we encourage employees to use their paid leave. Currently, each employee takes an average of 15 days per year, but if there are significant differences among individuals, this is not meaningful. In response, we set a target for all employees to take at least 10 days of vacation time each year. We also set an annual target for overtime work and are taking measures to ensure that overtime does not exceed that target.

The business division has few female employees, and as a result no employees had taken childcare leave, but last year the first employee went on childcare leave. Also, this year, male employees also plan to take childcare leave. Although progress is gradual, I feel that the change in awareness is taking root.

Mr. Yokota: It is a necessity of the times, and we would like businesses to take these types of measures as

much possible. I will be very pleased if this leads to the development of an image of Chitose City as a good place to live and a good place to work.

Creating Cooperative Structure to Respond to Disasters

Mr. Shimakura: I would like to take advantage of this opportunity to request cooperation with our disaster response efforts. Chitose City established the Chitose City Disaster Preparedness Plan in anticipation of a volcanic eruption of Mt. Tarumaesan, earthquake, wind or snow damage, or other disaster, and each year we conduct comprehensive disaster preparedness drills in cooperation with various organizations.



Mr. Hiroyuki Shimakura
General Manager of
Industrial Promotion
Department, Chitose City

We have also entered into cooperative agreements regarding disaster responses with 50 businesses, shops, and other organizations. MinebeaMitsumi has not entered into a cooperative agreement, but I would like to ask the company to offer its cooperation in the event of a disaster by providing supplies to local residents and so on.

Mr. Hashimoto: The business site has established a business continuity plan (BCP) manual setting forth the actions that we need to take to protect employees and continue business operations in the event of an emergency situation such as an earthquake, abnormal weather, fire, or epidemic. If a disaster occurs, we will establish a disaster response headquarters at the business site. We have stores of food and water for about three days of activities by the 30 members of the disaster response headquarters as well as 60 employees who will be unable to return to their homes and for provision to 100 residents of company dorms. The quantity of supplies may be somewhat high, and if an emergency occurs, it may be possible to use those supplies throughout the industrial district.

Mr. Shimakura: Companies and business sites have various different characteristics, and I think it would be beneficial if we could encourage collaboration and cooperation in ways that make use of those characteristics.

Mr. Yokota: The Chitose Industrial Club, in which MinebeaMitsumi has participated for some time, and Chitose City signed a collaborative agreement the year before last.

The agreement includes provisions on comprehensive utilization of the supplies and resources of each company, and I would like to request MinebeaMitsumi's cooperation.

Creating New Value through Collaboration between Industry and Academia

Mr. Kawase: Students from the Chitose Institute of Science and Technology have been gaining employment at MinebeaMitsumi since around the time of the first graduating class in 2002, and I feel that the recent business integration is extremely fortunate. The Institute has decided to become a public university corporation of the city in 2019. I believe that even greater collaboration with MinebeaMitsumi will be possible in the future.



Mr. Masaaki Kawase
University President
of Chitose Institute of
Science and Technology

Mr. Yamaguchi: I expect that various added value will be generated through collaboration among industry, government, and academia. Chitose City will cooperate to the greatest extent possible, and I look forward to receiving proposals and requests from MinebeaMitsumi.

Mr. Kawase: To give an example, under the Nanotechnology Platform promoted by the Ministry of Education, Culture, Sports, Science and Technology, advanced analysis equipment and so on has been installed at 25 sites throughout Japan for use by businesses. The Institute is one such site, and the equipment is available for use by businesses in the city. I would be pleased if MinebeaMitsumi also made use of this equipment.

Mr. Sakai: In fact, a request has already been made on the staff level, and I request your cooperation in this regard.



Mr. Tsukasa Sakai
Mitsumi Electric

Using Local Human Resources

Mr. Kawase: A dozen or so of the Institute's graduates have gained employment at MinebeaMitsumi, but almost no graduates have been hired in about the last five years. I would like to take this opportunity to reestablish our relationship with regard to hiring. We conduct various

programs such as internships and informational briefings, and I would like to extend an invitation to MinebeaMitsumi participate in these activities.

Mr. Matsuda: The Group as a whole hired 120 recent graduates who started work in April 2018, and we hired 150 mid-career employees during the first half of this fiscal term. Because of the rapid pace of change in business today, we need employees who can immediately contribute, and for this reason the percentage of mid-career hiring has increased, but we would also like to increase hiring of recent graduates and develop their capabilities. The labor shortage has become prominent at the Chitose Business Division, and we plan to hire a large group of some 190 recent graduates in April 2019. I request your cooperation at that time. We would also like to accept interns to the greatest extent possible.

Mr. Watanabe: How long after hiring does it take for a recent graduate to become an effective employee?

Mr. Matsuda: It depends in part on the division, but we would like employees to continue working in sales or technology for five years. I think that it is necessary to view things from a long-term perspective to a certain degree.

Mr. Watanabe: I see. According to the results of a survey we conducted, a significant number of graduates change jobs within three years. What are the actual conditions? Also, what measures can be taken to reduce job turnover?

Mr. Matsuda: Our turnover rate is extremely low at 3.4%. I have confidence that for all levels from young workers to senior employees, the key is to create positive and rewarding work environments.

Mr. Kume: The Chitose Business Division has a particularly low turnover rate within the Group.

Mr. Sakai: I believe that one of the reasons why the turnover rate is low is that when an employee says, "I am not suited to this job," we're able to keep the employee in a different division.

Mr. Matsuda: I think that's right. We have a structure where employees can request to be transferred to a different division. If an employee is going to come to work for MinebeaMitsumi, I think it's better that we try to raise motivation by having the employee perform work that they want to do.



Mr. Nobuyuki Watanabe
Managing Director of
Chitose Institute of
Science and Technology

Making Chitose into an Environment-friendly Community

Mr. Ishikawa: I noticed in a pamphlet issued by Chitose City that one of the issues the city is addressing is creating an environment that is people- and earth-friendly. What specific measures are being taken?

Mr. Shimakura: In 2012, the city issued an environmental declaration in the mayor's name and established basic principles and action guidelines. Based on this, the city established a unique environmental management system known as "Eco-Action" and is taking measures to reduce energy consumption and environmental impact. To expand these initiatives to business sites, we established ECO Chitose, our version of an environmental management system certification program. More than 60 business sites have obtained certification and measures are being taken throughout the city.

Mr. Ishikawa: We look forward to your cooperation in the future.

Mr. Sakai: I have one request relating to the environment. In the semiconductor industry, it is necessary to continuously cool clean rooms using air conditioning. The temperature in Chitose City is low, and this is extremely beneficial, but even so, a considerable amount of electric power is needed. Electric rates in Hokkaido are high compared to other regions, and this is a disadvantage for us. We are in negotiations with Hokkaido Electric Power, but I believe that the circumstances will change if there were more companies that require large amounts of electric power such as other companies in the semiconductor industry, and therefore, I would like the city to make efforts to attract more companies. I believe that this will lead to the further invigoration of Chitose City and Hokkaido.



Mr. Masaki Ishikawa
MinebeaMitsumi

In Closing

Mr. Matsuda: Thank you very much for taking the time to share your valuable insights with us today. I would like MinebeaMitsumi to be a company that is a source of pride for Chitose City. To this end, I would like to continuously enhance communications and receive various suggestions and proposals. I hope that we can create ties based on mutual understanding. I look forward to your continued support in the future.